

Chapter 3

ASSISTANCE ELIGIBILITY AND SELECTION

Only certain rail lines are eligible for assistance under the Local Rail Services Reauthorization Act. However, Over 1700 miles of former and active components of the Idaho rail system qualify for assistance under the existing program. The program also limits the types of assistance that can be provided. The universe of Idaho rail lines eligible for assistance under this legislation, the assistance available, and the process by which the lines are selected for evaluation comprise the contents of this chapter.

Lines Eligible for Assistance

The Local Rail Freight Assistance Program (LRFA) provides federal funds to states on a matching basis for rail planning and project implementation purposes on eligible lines. In general terms, eligible lines include:

- Abandoned lines or lines with service discontinued.
- Lines carrying less than 5 million gross ton-miles per mile (MGTM/M) per year.
- In either case above, the line has to have transported more than 20 carloads per mile in the previous year, or a contract exists that guarantees at least 40 carloads per mile in each of the first 2 years of operation after completion of the assistance project.
- Implementation of the assistance project will result in a ratio of benefits to costs greater than 1.0.

Abandoned Lines - Based on ITD records, 809 miles of line have been abandoned since 1976. The lines are depicted on Figure 3-1 and listed in Table 3-1. Needless to say, many of the rights-of-way have long been converted to other uses and are no longer realistically available for rail service. Although rail abandonments occur for several reasons, the basic reason is a revenue-cost relationship which does not permit the railroad to earn an adequate return on investment, if any at all. Consequently, light density rail lines become candidates for abandonment. Additional reasons for abandonments include:

Table 3-1
ABANDONED LINES ELIGIBLE FOR ASSISTANCE

<u>RAILROAD (1)</u>	<u>TERMINI</u>	<u>LENGTH IN IDAHO</u> (in miles)	<u>ABANDONMENT</u> <u>DATE</u> (month/year)
BN	Trackage in Coeur d'Alene	0.9	2-77
MILW	Bovill-Elk River	20.7	5-77
UP	Menan-Edmonds	16.3	9-77
UP	Trackage in Grace	1.1	10-77
UP	Rogerson-Wells, NV	20.0	8-78
UP	Ashton-West Yellowstone, MT	45.7	4-79
UP	Rubicon-New Meadows	5.4	5-79
UP	Cascade-McCall	33.9	1-80
UP	Firth-Ammon	17.6	2-80
MILW	St. Maries-MT State Line	77.2	5-80
MILW	Plummer-WA State Line	9.0	5-80
UP	Newdale-Belt	5.7	7-80
BN	Mullan-Haugan, MT	11.0	9-80
UP	Tetonia-Victor	16.0	9-81
UP	Near Declo	0.4	11-81
UP	Fairfield-Hill City	13.9	3-82
UP	Twin Falls-Rogerson	28.8	6-82
UP	Richfield-Ketchum	54.3	7-82
UP	Arco-Mackay	26.4	10-82
BN	Greenacres, WA-Post Falls	3.5	3-83
BN	Moscow-Estes	3.0	9-83
UP	Richfield-Fairfield	44.5	11-83
UP	Shoshone-Richfield	15.5	11-83
NEZPERCE	Craigmont-Nezperce	13.8	12-83
UP	Martin-Oakley	10.5	10-83
UP	Wallace-Burke	6.8	1-84
UP	Boise-Barber	6.9	5-84
BN	Atlas-Coeur d'Alene	2.7	4-84
BN	Pullman, WA-Genesee	7.0	7-84
BN	Moscow-Arrow	37.7	10-84
BN	Palouse, WA-Viola	2.4	10-84
CSP	Kooskia-Stites	3.2	3-85
CSP	Revling-Headquarters	10.0	5-85
UP	Bradley-Silver King	2.0	10-86
UP	Ashton-Tetonia	30.8	2-90
UP	Bliss-Wendell	14.3	4-90
UP	Edmonds-Egin	2.4	4-91
UP	Near Bliss	.7	5-92
UP	Nampa-Stoddard	15.9	10-93
UP	Scoville-Arco	16.4	11-94
UP	Plummer-Mullan	71.5	12-94
INPR	Weiser-Rubicon	<u>83.1</u>	11-95
		808.9	

(1) BN Burlington Northern
CSP Camas Prairie
MILW Milwaukee Road
UP Union Pacific
INPR Idaho Northern and Pacific

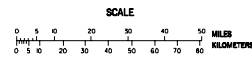
SOURCE: Idaho Transportation Department

STATE OF IDAHO RAILROAD LOCATION MAP



INDEX TO RAILROADS

BN	— Burlington Northern Railroad
CSP	— Camas Prairie Railroad
EIRR	— Eastern Idaho Railroad
INPR	— Idaho Northern and Pacific Railroad
MRL	— Montana Rail Link
BLMR	— Blue Mountain Railroad
STMA	— St. Maries River Railroad
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— CURRENT RAIL SYSTEM (1995)
 — ABANDONMENTS (1975–1995)

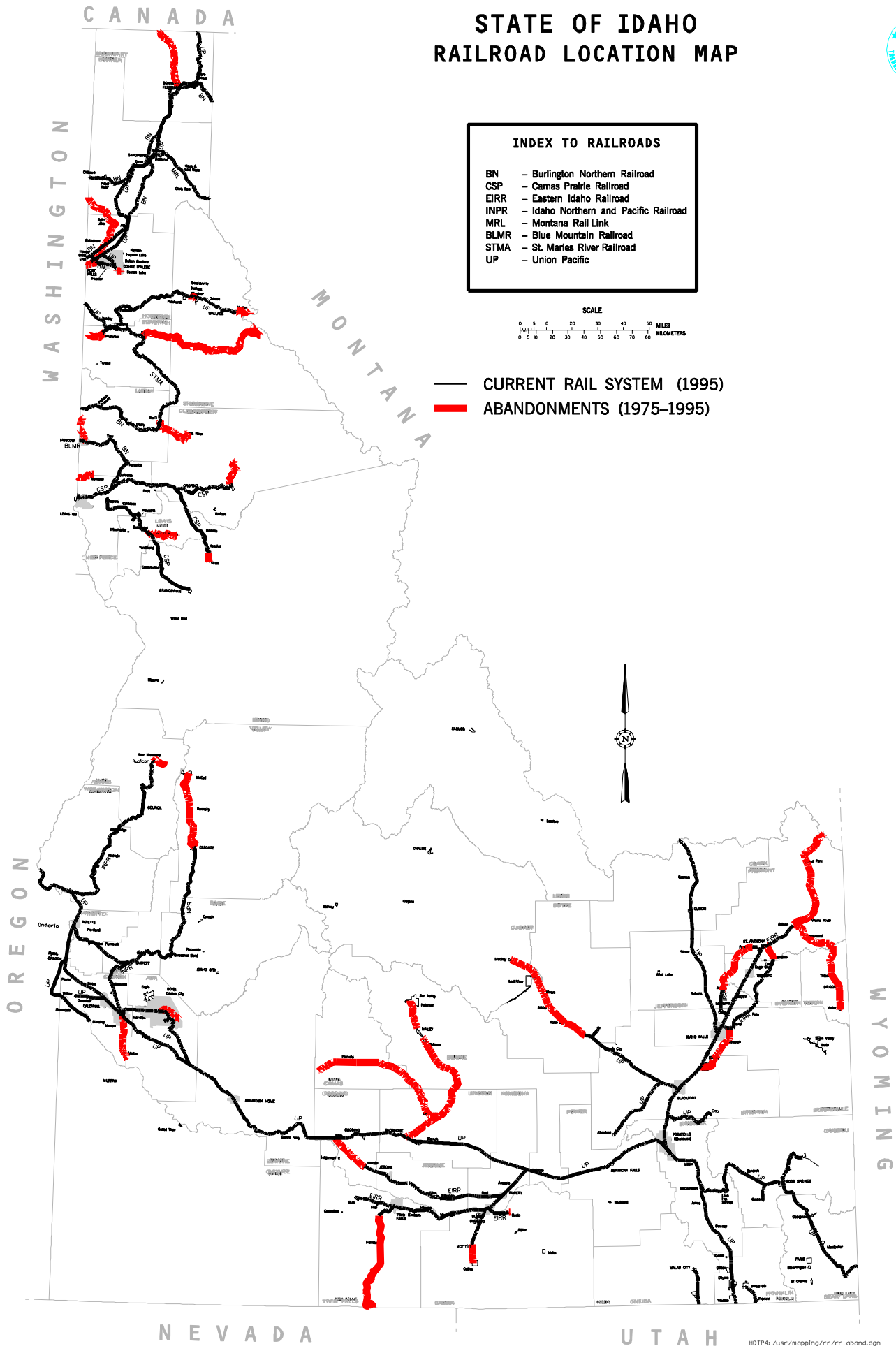


Figure 3-1

- The poor condition of tracks/deferred maintenance and the resulting high cost of rehabilitation.
- The shift of freight from rail to other modes, primarily trucks and barges.
- Reluctance to devote limited financial resources for marginal returns.
- Labor protection agreements and laws.
- Lack of local contact and innovative marketing.

Communities and, particularly rail users, are usually distressed by the prospect of loss of rail service. Although some abandonments will continue to occur even under the most optimistic scenario, rail abandonments have slowed considerably in recent years, in Idaho and nationally. However, some country elevators and general commodity shippers and receivers located on light density rail lines may lose rail service and might sustain significant impacts.

As to the issue of service deterioration leading to fewer rail shipments and eventual abandonment, the shippers sometimes argue that their rail shipments have declined because of deteriorated or downgraded service provided by the railroad. The railroads argue that the service declines because the shippers have shifted their traffic from rail to truck or barge and service must be reduced to keep costs down.

Further, the railroads might argue that abandonment can be postponed or avoided, in some cases, if arrangements can be made with shippers to provide reduced service say, once weekly, rather than daily, so that operating costs can be reduced. For example, the Camas Prairie branch to Grangeville was on the System Diagram map as an abandonment candidate for 10 years, but was removed in 1994. Service has only been provided weekly, but the railroad has recaptured the grain shipments lost to trucks after the Port of Lewiston opened.

In any event, the truth probably lies somewhere between the railroads' and the shippers' arguments, but conditions vary and each potential abandonment should be examined on a case by case basis.

ITD monitors the status of the state's light density line system through the rail planning process and various analyses, and seeks alternatives to abandonment prior to Surface Transportation Board (formerly the Interstate Commerce Commission) proceedings, where feasible. The Idaho Public Utilities Commission (IPUC) intervenes in such proceedings when necessary to protect the state's interest. Under Idaho Code, Section 64-424, the IPUC is required to determine whether the abandonment: (1) would adversely affect

the area then being served; (2) whether there is reason to believe that the closure would impair the access of Idaho communities to vital goods and services and market access to those communities; (3) whether the line has a potential for profitability. If the IPUC finds that the foregoing criteria have been met, then it may transmit a report of its findings to the Surface Transportation Board on behalf of the people of the State of Idaho. ITD assists the IPUC when abandonments are being considered by the Surface Transportation Board.

System Diagram Lines - Current abandonment candidates are those lines classified in Categories 1, 2 and 3 on railroad system diagram maps. The railroads are required to file these maps with both federal and state agencies.

- Category 1: All lines which the carrier anticipates will be the subject of an abandonment or discontinuance application within three years;
- Category 2: All lines under study by the carrier which may be subject to future abandonment attempts;
- Category 3: All lines for which an abandonment application is pending before the Surface Transportation Board (formerly the Interstate Commerce Commission);
- Category 4: All lines that are being operated under the rail service continuation provisions in the 3R Act (Idaho not eligible under the 3R Act); and
- Category 5: All other lines the carrier owns or operates.

Lines in Categories 1, 2, and 3 are eligible for assistance to prevent abandonment or to mitigate abandonment impacts. As indicated in Table 3-2 and shown in Figure 3-2, two Idaho lines are currently shown in Category 1 and two are shown in Category 3. (The Maddens to Emmett line was approved for abandonment effective February 29, 1996.) The four lines, totaling 124 miles in length, are discussed in the following paragraphs.



STATE OF IDAHO RAILROAD LOCATION MAP

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IDAHO SYSTEM DIAGRAM LINES AND ABANDONED LINES STILL IN PLACE

- CATEGORY 1**
- LINES SUBJECT TO ABANDONMENT WITHIN THREE YEARS
 - TRACKAGE RIGHTS ONLY
- CATEGORY 3**
- LINES PENDING ABANDONMENT BEFORE THE I.C.C.
 - LINES APPROVED FOR ABANDONMENT BUT STILL IN PLACE

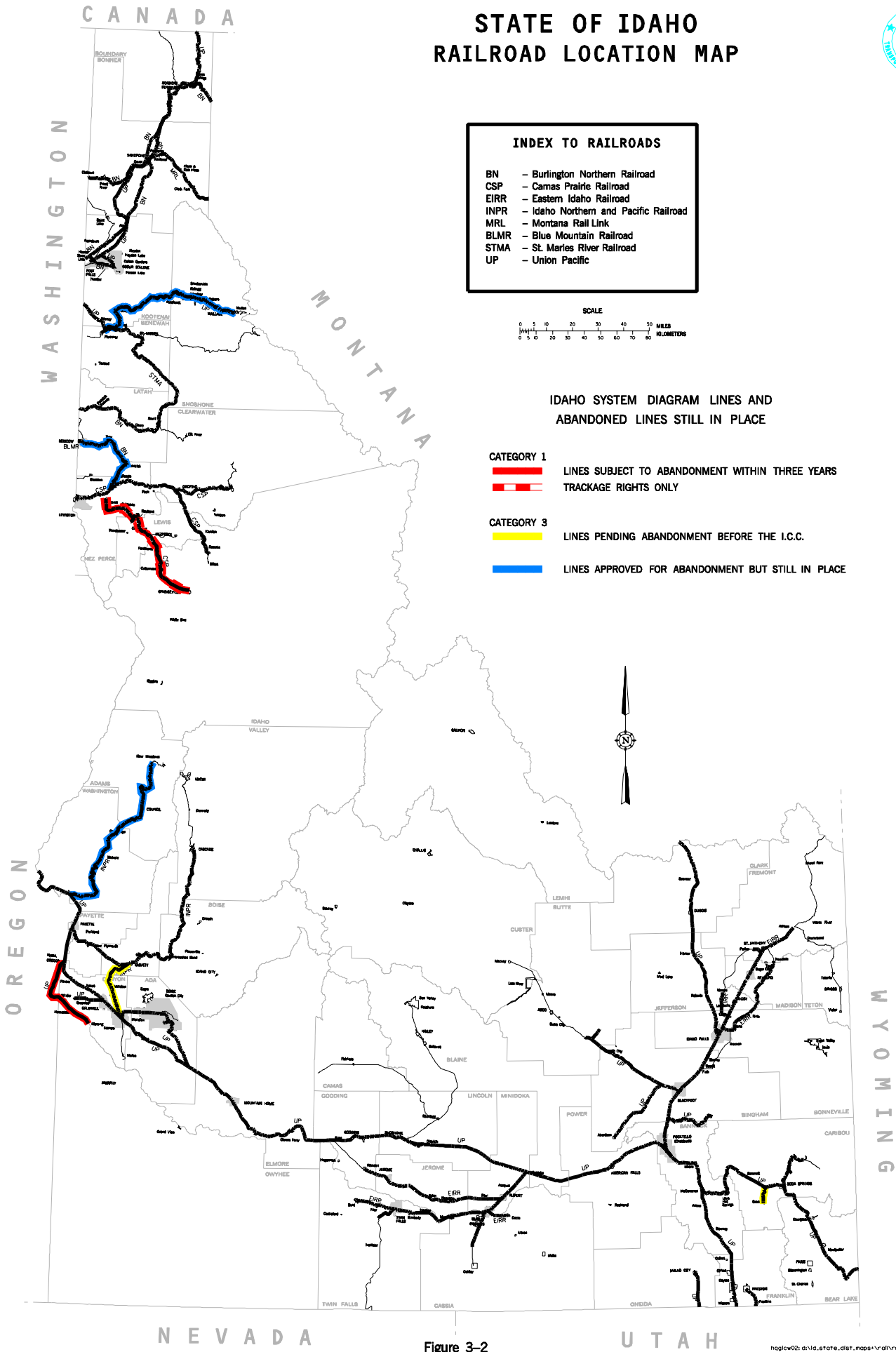


Figure 3-2

Table 3-2
SYSTEM DIAGRAM MAP LINES

<u>Category</u>	<u>Railroad</u>	<u>Termini</u>	<u>Length (miles)</u>	<u>County</u>
1	UP	Nyssa, OR - Marsing, ID	33.5 15 in Idaho	Malheur, OR Owyhee
1	CSP	Spalding - Grangeville	66.8	Nez Perce/Lewis/Idaho
3	UP	Alexander - Grace	5.7	Caribou
3	UP	Maddens - Emmett	17.5	Canyon/Gem

Category 1 - Abandonment application anticipated within three years.

Homedale Branch

The Union Pacific's Homedale Branch, a 33.4-mile line from Nyssa, Oregon on the main line to Marsing, Idaho via Homedale, has been shown on the System Diagram Map in Category One for several years. It was part of a package the UP was trying to spin off in the late 1980's. After that deal fell through in December, 1990, the line was not included in the package subsequently sold to Idaho Northern and Pacific Railroad in November, 1993. The line is laid with light rail (primarily 75lb), but UP has not shown an interest in LRFA funding. The line does not need extensive rehabilitation. The primary shipments are onions, which primarily move in a seasonal operation from approximately August to January, but the traffic is light.

Grangeville Branch

The Grangeville Branch, the Second Subdivision of the Camas Prairie Railroad (owned jointly by the BN and UP) was on the System Diagram Map for BN and UP from 1985 to 1994. BN removed the line from the map in 1994, but the UP has kept it on the map as trackage rights (the line itself is owned by the BN). Once vulnerable to abandonment because grain was being trucked to the ports in Lewiston and Clarkston, shipments have increased to 1300-1400 cars per year since the grain elevators started shipping grain to the ports by rail again over the last several years. A major shipper constructed a million-dollar multiple-car loading facility in Craigmont in 1994 demonstrating the commitment to use of rail for grain shipments. Lumber is also shipped on the line.

The 66.8-mile line runs from Spalding (along the Clearwater River) to Craigmont and on to Grangeville, rising nearly 3,000 feet in elevation. It is laid with primarily 90lb. rail and has 43 structures, some very massive, particularly the Half Moon and Lawyer's Canyon bridges. The BN and UP have kept the line on the System Diagram Map for many years in case a major structure

were to fail, despite the increased rail traffic. The BN and UP have not indicated an interest in LRFA funding for this line. Hopefully, abandonment of the line will not be progressed, particularly in light of the significant shipper investment and commitment. The line sustained some flood damage in February 1996 and was out of service until late March.

Category 3 - Pending abandonment before the Surface Transportation Board (formerly the Interstate Commerce Commission)

Grace Branch

The Union Pacific's Grace Branch, a 5.7-mile line from Alexander (on the UP main line west of Soda Springs) to Grace, is pending abandonment authority from the Surface Transportation Board. Shipments consisted of 65 railcar loads of grain in 1994 and 70 railcar loads in 1993¹. No grain was shipped in 1995 due to the poor condition of bridges on the line. The shipper is utilizing a multiple-car loading facility at Bancroft, 15 miles away by truck, and did not oppose the abandonment. Upon review of the line in 1989, ITD felt that the benefits that would accrue from repair/replacement of the bridges on the line would not justify the cost under current traffic levels.

Maddens to Emmett

The Union Pacific Railroad and Idaho Northern and Pacific Railroad recently filed an Abandonment Exemption Notice for UP to abandon and INPR to discontinue service over 17.5 miles of rail line between Mile Post 7.0 near Maddens (north of Nampa) to milepost 24.5 near Emmett. There are no active rail users located on the abandoned portion of the line although it was formerly used by INPR to interchange traffic with UP at Nampa. All interchange between the two railroads has now been moved to Payette. The exemption became effective on February 29, 1996.

In some cases, a railroad can obtain approval to abandon a line without going through a more formalized, detailed abandonment process by filing a Notice of Exemption or a Petition for Exemption with the Surface Transportation Board. These are normally filed when there is little or no traffic on a line and no protests from shippers are expected. In these cases, a line does not necessarily have to appear on the System Diagram Map prior to filing the exemption notice. Both of the above cases were handled under exemption proceedings.

¹ Source - Interstate Commerce Commission - A-33(Sub-No. 01X), Union Pacific Railroad Company - Abandonment Exemption - In Caribou County, Idaho.

Light Density Lines - This last group of lines are those which carry relatively little traffic. Lines carrying less than 5 million gross ton-miles per mile (MGTM/M) per year. These are lines which are included with those in Category 5 meaning that abandonment is not imminent. However, due to the low traffic level, an abandonment could conceivably occur in the medium to long-term. Assistance for lines in this group is generally designed to improve the physical condition of a line so that more economical operations can be conducted.

A large amount of trackage in Idaho can be considered as light density according to this definition as shown in Table 3-3. A total of 936 miles in the state carry less than 5 MGTM/M. Density, of course, is only one measure of a particular line's contribution to a railroad system. Depending on the commodities carried, for example, many light density lines are in fact profitable. It is the state's intention to identify and evaluate lines in order to seek solutions before lines reach the Category 1, 2 and 3 stage.

Table 3-3
LIGHT DENSITY RAIL LINES

<u>LINE</u>	<u>NAME</u>	<u>TERMINI</u>	<u>LENGTH</u>	<u>1989</u>
BN	28th Subdivision	WA State Line - Moscow	2.8	0.05
BN	11th Subdivision	Hauser - Couer D'Alene	12.5	0.32
BN	10th Subdivision	Sandpoint - Newport	29.1	0.86
BN	29th Subdivision	WA State Line - Bovill	<u>44.6</u>	0.12
		Railroad Total	89.0	
EIRR	Yellowstone Branch	Ashton - Idaho Falls	51.6	0.75
EIRR	St. Anthony Branch	Egin - St. Anthony	9.7	0.07
EIRR	West Belt Branch	Ucon - Menan	10.7	0.12
EIRR	East Belt Branch	Orvin - Newdale	38.6	0.29
EIRR	Goshen Branch	Ammon - Lincoln Jct.	4.1	0.15
EIRR	Twin Falls Branch	Minidoka - Buhl	74.4	1.53
EIRR	Oakley Branch	Burley - Martin	11.6	0.11
EIRR	Raft River Branch	Burley - Declo	9.2	0.06
EIRR	Northside Branch	Rupert - Wendell	<u>57.5</u>	0.22
		Railroad Total	267.4	
UP	Montana Subdivision	MT State Line - Idaho Falls	79.3	3.12
UP	Scoville Branch	Aberdeen Jct. - Scoville	36	0.06
UP	Aberdeen Branch	Blackfoot - Aberdeen	35.4	0.38
UP	Gay Branch	Ft. Hall - Gay	21.5	3.34
UP	Stoddard Branch	Nampa - MP 1.75	1.8	0.33
UP	Wilder Branch	Caldwell - Wilder	11.4	0.19
UP	Boise Cut-Off	Orchard - Nampa	44.2	0.22
UP	Dry Valley Branch	Soda Springs - Dry Valley	23.5	3.12
UP	Conda Branch	Epco - Conda	5.6	3.88
UP	Grace Branch	Alexander - Grace	5.8	0.06
UP	Malad Branch	UT State Line - Malad	13.6	0.83
UP	Cache Valley Branch	UT State Line - Preston	8.4	0.19
UP	Homedale Branch	OR State Line - Marsing	23.4	0.11

Table 3-3
LIGHT DENSITY RAIL LINES
(Continued)

<u>LINE</u>	<u>NAME</u>	<u>TERMINI</u>	<u>LENGTH</u> <u>(In Idaho)</u>	1989 <u>DENSITY/MILE</u> (GTM/M)
UP	Wallace Branch	WA State Line - Plummer	13.5	0.24
UP	Coeur D'Alene Branch	Coeur D'Alene Jct. - CDA	<u>8.8</u>	0.33
		Railroad Total	332.2	
INPR	Idaho Northern Branch	Nampa - Emmett	23.4	0.59
INPR	Idaho Northern Branch	Emmett - Cascade	76.3	0.59
INPR	Payette Branch	Emmett - Payette	<u>28.7</u>	0.87
		Railroad Total	128.4	
BLMR	Moscow Branch	State Line - Moscow	<u>2.5</u>	0.13
		Railroad Total	2.5	
STMA	St. Maries River Railroad	Plummer - Bovill	<u>71.0</u>	0.83
		Railroad Total	71.0	
CSP	1st Subdivision	Lewiston - Kooskia	74.2	0.28
CSP	2nd Subdivision	Spalding - Grangeville	66.8	0.09
CSP	3rd Subdivision	Lewiston - WA State Line	2.0	3.01
CSP	4th Subdivision	Orofino - Revling	<u>30.9</u>	0.26
		Railroad Total	173.9	
		Grand Total	936.0	

Types of Assistance

Various types of assistance are available under LRFA depending on the status of the rail line.

Acquisition Assistance

This assistance form provides funds for acquisition of a rail line, or other rail property, by purchase, lease, or some other manner as appropriate for existing or future rail service. This funding is available for lines that have been abandoned or subjected to discontinuance of service. There is a minimum 50% local match for the federal funds.

Rehabilitation and Improvement Assistance

Under this category, funding is provided to rehabilitate or upgrade a rail line to the extent necessary to permit adequate and efficient rail service. Rail lines eligible for this form of assistance are those which carry 5 million gross ton miles of freight or less per mile. There is a minimum 30% local match for the federal funds. This has been by far the most common type of assistance used by the states.

Rail Facility Construction Assistance

Construction of rail, or rail-related facilities including new connections between two or more existing lines, intermodal freight terminals, sidings, and relocation of existing lines are covered under this form of assistance. Rail lines eligible for this assistance are the same as described under rehabilitation and improvement assistance. There is a minimum 50% local match for the federal funds.

Selection of Lines for Detailed Analysis

Since funding is limited and 48 percent of Idaho's existing rail system is eligible for assistance (plus certain abandoned miles), the rail planning program has adopted a screening process to select lines for detailed analysis. It is not a rigid procedure. Inquires are made of the state's railroads for project recommendations, the System Diagrams are examined each year for potential projects (see Table 3-2), and the situations surrounding past project candidates are revisited to determine if they have changed enough to warrant another look. Each candidate is then investigated to the extent necessary to gain some insight into its worthiness, and those with potential to be eligible projects are selected for detailed analysis.

Lines Selected for Evaluation

The selection of lines for detailed analysis in this Update followed the screening process described above. Requests for assistance were received from two of the state's short line railroads. All System Diagram Map Lines were also considered. The lines remaining to be evaluated, along with some of their characteristics, are shown in Table 3-4. The analysis of these lines is contained in Chapter 4.

**Table 3-4
LINES TO BE EVALUATED**

<u>RAILROAD</u>	<u>TERMINI</u>	<u>LENGTH</u> (miles)	<u>COUNTY</u>
Eastern Idaho	Ucon - Menan	10.4	Jefferson and Bonneville
Idaho, Northern and Pacific	Payette-Emmett	25.0	Payette and Gem